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Labour law, the Industrial Constitution and the EU's accession to the ECHR:

The constitutional nature of the market and the limits of rights-based approaches to labour law

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1. Introduction

Although neither legal order deliberately set out to deal with complex matters of labour law, the European Union (EU or Union) and the European Convention on Human Rights (ECHR or Convention) have both had a large impact, in one way or another, on labour law matters. By creating an (admittedly complex) *external* supervisory system to review the legality of EU action, while also *internalising* the values the Convention within the EU legal order, the Union's formal accession to the ECHR is an(other) important 'constitutional' moment for the EU in several respects, all of which deserve careful consideration. In the field of labour law in particular, an embedded inclusion of human rights-type guarantees into the EU legal order has long been advocated by many commentators to counterbalance a perceived prioritisation of market freedoms. This chapter seeks to understand how accession will affect the EU legal order, building on three 'constitutional' models through which we can understand EU law and the ECHR. In what way will accession affect our 'constitutional' understanding of the Union, and how will this affect labour law?

Much constitutional theorising regarding the EU has focused on two broad models of constitution: a hierarchy-based model which stems from the 'autonomous' nature of EU law and the 'constitutional' role of the EU Treaties, and a value-based model which considers the interaction of competing legal sources and their principled resolution. It will be argued that while the ECHR will not affect the hierarchical 'supremacy' of EU law by virtue of the ECHR's particular legal structure, its new supervisory role and embedded constitutional values will inevitably impact upon labour law in the EU. However, this chapter argues that a third, much neglected, model of constitution must be grasped to understand the place of labour law in the EU. Labour law is here presented as part of an *industrial constitution*, stressing the law's constitutive function with regard to social actors and the market. It will be demonstrated that the impact of rights-based judicial supervision of the Union will be inherently limited on the industrial constitution, as this supervisory structure embodies a *purely liberal* vision of constitutional review which can police actors and norms, but cannot directly reconstitute market actors according to constitutional values such as democracy, dignity or solidarity.

1 Hertford College, University of Oxford. Special thanks to Theodore Konstadinides for his typically insightful comments on an earlier draft of this chapter. All errors are my own.

As significant as the ‘constitutional moment’ of accession might be, transformative reform of EU labour law is unlikely to come, in the first instance, from accession to the ECHR, and is ultimately dependent on a legislative restructuring of the internal market of the EU, and in particular an incorporation of values of citizenship into the market. Accession may cast light upon the need for such reforms, but is intrinsically limited in its ability to achieve these changes.

2. The impossible exclusion of labour law from the post-war European legal settlement

Both the ECHR and the EU owe their genesis to efforts to avoid the horrors of the first half of the Twentieth Century in Europe in the form of gross violations of human dignity by totalitarian regimes and war of devastating dimensions and consequences. They represent two legal methods of achieving these laudable aims: on the one hand, the protection of rights of the individual through the Convention, and, on the other hand, the fostering of economic integration and prosperity through the European Economic Community (EEC), which would eventually evolve into the European Union, which would, it was hoped, create the interdependence and wealth which would thereby avoid the social and political conditions which culminated in the Second World War.

That these two crucial European legal frameworks should come together is of course of great import, however the relevance of this development to labour law in Europe is a complex issue, not least because the *deliberate exclusion* of labour law – broadly speaking, that law governing the rights of workers and their production – was central to the both the Convention and the Treaty of Rome. The Convention was concerned with civil and political rights, rather than ‘social’ ones, while the EEC attempted to found market integration on the free movement of the factors of production and the principles of free competition, leaving issues of social policy and social justice to Member States. Both of these attempts to exclude matters of social policy and labour law has proved impossible to maintain, with both legal orders dealing extensively with matters of labour law in numerous significant ways.

The content of Treaty of Rome, founding the EEC, largely reflected the conclusions of the Spaak Report², rejecting a general harmonisation of social provisions in the newly integrated market. The EEC would be based instead on a division of competences between Member States and the Community, the latter dealing with economic integration, while the former continued to take care of workers’ rights, employment regulation, and general issues of ‘social justice’. Fears that differences between such social conditions would create distortions in competition between countries were largely rejected³, as were similar concerns about the downward pressure on social standards that might ensue from such a division of competences. Over the next half-century or so, this division between economic and social competences progressively collapsed. As the project to fully integrate the market gained pace, there was a realisation that coordinated action was required to achieve the

2 Rapport des chefs de délégation aux Ministres des Affaires étrangères: Comité intergouvernemental créé par la Conférence de Messine, Brussels, Belgium, The Secretariat, 1956

3 Famously, the matter of equal pay between men and women was included in Art 119 TEEC, largely upon the insistence of France.

social aims of the Member States to avoid a so-called race-to-the-bottom in terms of social standards, and also to give the European project a certain legitimacy through a concern for ‘social’ matters and the representation of workers⁴. As the EEC passed through its various stages of development⁵ and became the European Union, it gained numerous competences in the field of labour law⁶, and the ‘Social Partners’ – trade unions and employers associations – achieved a form of corporatist legislative status within the Union⁷.

The most significant substantive legal developments first came in the field of equality and discrimination, with the Court of Justice taking a leading role, ‘discovering’ a dual ‘social’ purpose to Art 119 TEEC⁸, which mandated equal pay for men and women, in *Defrenne*⁹. Expanded grounds and extensive secondary legislation on equal treatment¹⁰ led eventually to the principle of equal treatment becoming a ‘fundamental right’ and ‘general principle’¹¹ of EU law in the eyes of the Court. Other significant fields of legislative activity came in the form of rights in the case of business restructuring¹², seeking to allay the fears of the social consequences of the mobility of capital that comes with an integrated market, the establishment of limited representative structures within firms¹³, limits on working time¹⁴, and protection for categories of atypical and vulnerable workers¹⁵. A

4 On the general ‘legitimizing’ function of EU labour law, see Antonio Lo Faro, *Regulating Social Europe* (Hart 2000)``

5 The stages of this development are generally understood as having the following key stages: the completion of the single market in the Single European Act (1986), the Maaschricht Treaty (1992), which created the European Union and expanded numerous competences, a trend continued in the Amsterdam Treaty (1999), culminating in the current Treaty settlement, following the Lisbon Treaty (2007), after the failure of the Constitutional Treaty.

6 These are currently contained in numerous parts of the TFEU, notably Article 19 on discrimination, and provisions in Titles IX and X, on employment and social policy, in particular Articles 153, covering numerous areas of employment regulation, and 157 on equal pay and equal treatment for men and women.

7 Articles 154 and 155 TFEU.

8 Now Article 157 TFEU

9 *Defrenne v Sabena* (No 2) (1976) C-43/75, in particular at paras 8-12

10 Article 19 TFEU gives the EU competence to pass legislation on equal treatment on numerous grounds beyond gender. Key Directives include the Race Directive 2000/43, on which see Luke Mason, ‘The Hollow Legal Shell of European Race Discrimination Policy: The EC Race Directive’ (2010) 53 *American Behavioral Scientist* 1731–1748; the Framework Directive 2000/78, covering other grounds of discrimination mentioned in Art 19 TFEU; and the now substantially revised Recast Equal Treatment Directive 2006/54 covering sex discrimination in employment, consolidating more than three decades of secondary legislation in this area.

11 *Mangold v Helm* (2005) C-144/04, in particular at paras 75 and 76.

12 Now in the form of the Collective Redundancies Directive 98/59 and Transfer of Undertakings Directive 2001/23.

13 Now the Information and Consultation Directive 2002/14 and European Works Council Directive 2009/38.

14 Revised Working Time Directive 2003/88.

15 Part-time Work Directive 97/81, Fixed Term Work Directive 99/70, and Temporary Agency Work Directive 2008/104 which offer protection largely on the basis of equal treatment with typical workers in certain respects.

significant body of legislation, case law and principles which can very coherently be labelled ‘EU employment law’ has unmistakably emerged, notwithstanding the continued exclusion of key matters such as pay, collective bargaining and the right to strike from Union competences.¹⁶

At the same time, demonstrating perhaps the sheer conceptual impossibility of separating economic and social rights, as the original compromise had envisaged, EU law has not only sought to allay fears of social dumping, but has in fact declared aspects of the labour law traditions of certain countries *illegal* according to Union law by virtue of their constituting a barrier to economic freedoms recognised in primary or secondary legislation of the Union¹⁷. The chapter by Amy Ludlow in this volume ably details these developments and their significance. Similarly, the ongoing financial crisis has resulted in action by the EU whose conditions require the dismantling, or bypassing, of domestic legal provisions which grant rights of representation to workers, notably in Greece.¹⁸ Through *positive* and *negative* integration, therefore, EU law has come to concern itself with fundamental aspects of labour law, the law regarding the formation of employment relationships and their regulation, terms and conditions. Any hopes of exclude labour law from the project of the EU were naïve and have proved illusory.

A parallel history of the Convention can be recounted in as much as it sought to exclude matters of ‘social’ justice such as employment rights and labour law in general. While the fledgling Council of Europe sought to include fundamental political and civil rights in the Convention, social rights, such as those connected to employment and its terms and conditions, were instead eventually included in a later document, the European Social Charter, adopted in 1961, which has much less robust in its mechanisms of enforcement and supervision, even in its more recent revised form¹⁹. However, just as the distinction between market and social rights proved to unworkable in the case of the EU, so has the expectation that social issues would remain outside the purview of the Convention proved to be somewhat unrealistic. This is unsurprising. While at first glance there is perhaps little in the Convention which suggests immediate relevance to employment rights and labour law in general, this would be to underestimate the basic foundational place of civil rights in the legal construction of the employment relationship and the importance of political and civil rights to the values which inform labour law standards and, indeed, the Social Charter itself. This has been reflected in a growing body of case law before the ECtHR which deals explicitly with labour law issues and draws upon Convention rights to provide solutions to such cases.

The basic tenets of the labour market and the employment relationship, that is the contract of employment and the managerial prerogative to direct workers and the business generally, upon which

16 Article 153(5) TFEU explicitly rules out Union secondary legislation in the field of ‘pay, the right of association, the right to strike or the right to impose lock-outs’.

17 Significantly, the recent line of cases: line of cases Viking [2008] IRLR 143, Laval [2008] IRLR 160, Rueffert, C-346/06 and Commission v Luxembourg C-319/06.

18 For a detailed exploration of the impact on Greek labour law of the financial crisis and the Greek bailout see A. Koukiadaki and L. Kretsos, ‘Opening Pandora’s Box: The Sovereign Debt Crisis and Labour Market Regulation in Greece’ (2012) 41 Industrial Law Journal 276–304.

19 The Revised European Social Charter (1996) which came into force in 1999.

all terms and conditions of employment are built, rest on two basic Convention rights: on the one hand, the prohibition of slavery and forced labour²⁰, which necessitates the contract of employment as the basis of employment relationships, and, on the other hand, the right to property²¹, which founds the basic managerial prerogative within employment relationships. Above and beyond this, the relationship of subordination which exists in the employment context means that the employer wields a form of bureaucratic power²² should be subject to the supervision of correlative forms of power wielded by state institutions, such as the right to a fair trial²³, or the right to a private life²⁴ which ensure that decisions taken by the employer, such as those concerning hiring or dismissal, are based on proper consideration of relevant factors and are not simply arbitrary. Indeed, the relevance of the majority of Convention rights to labour law can easily be made. All this before even mentioning Article 11 and the Right to Freedom of Association, which explicitly provides for ‘the right to form and to join trade unions for the protection of his interests’. As a consequence, any distinction between civil and social rights has been impossible to maintain, and the deliberate separation of these two species of right into different legal regimes within the Council of Europe has not had the effect of excluding labour law issues from the Convention’s reach. This is to be expected: just as there can be no conceptual separation between market and social rights, there can be no a priori distinction between civil and social ones.

What this potted legal history demonstrates, beyond the somewhat glib observation that the distinctions between such ‘types’ of right are likely to fail, is that the accession of the EU to the Convention is likely to have an impact on labour law in some manner or another. This impact is however likely to be conditioned and complicated by the secondary place which labour law and social rights have, in one way or another, in the traditions of the EU and the Convention, as explained in this opening section.

3. The ‘Constitutional’ Ramifications of Accession

The accession to the ECHR by the European Union is a complex issue however one approaches it. The Accession Agreement²⁵ itself is an appropriately Byzantine affair, with its special procedures seeking to balance effective protection of rights for individuals on the one hand with, on the other, the complexities of the relationship between EU law and Member State law as the curious constellation of different judicial bodies and their appropriate jurisdiction.²⁶ In essence, the accession

20 Article 4 ECHR.

21 Article 1 of Protocol 1 of the ECHR: the Protection of Property.

22 On this point see Hugh Collins, ‘Against Abstentionism in Labour Law’ in J. Eekelaar and J. Bell. (eds) *Oxford Essays in Jurisprudence: third series* (Clarendon, Oxford, 1987). On the genesis of this perspective see Karl Renner, *The Institutions of Private Law and their Social Function* (trans.) (Routledge, London, 1976) and the work of Hugo Sinzheimer, see below.

23 Article 6 ECHR

24 Article 8 ECHR

25 Footnote to be inserted by editors

26 For excellent coverage of this matter see T Lock, ‘EU Accession to the ECHR: Implications for the

would seem to confirm the previous approach in terms of Member State responsibility, as Masters of the Treaties, for the violation of Convention rights by EU Primary Law²⁷, while making the EU liable for violations which come as a consequence of its own action, thus possibly making more robust the scrutiny offered in *Bosphorus*²⁸ where Member States pass on their responsibility for Convention rights to the Union, while closing the lacuna in cases such *Connolly*²⁹, where action taken by the EU itself was not covered by the Convention at all. This Chapter does not seek to engage with these procedures in detail, but rather discuss the accession in more general terms of the nature of the process of European integration, in order that its impact on labour law might be understood in a systematic fashion.

Aside from the obvious differences in content and core *telos* between the basic projects of the Convention on the one hand on and the Union on the other, the dominant narrative regarding their *nature* and *functioning* have also differed markedly. The Convention, although extremely successful in its own terms³⁰, has been understood along classic Public International Law lines, with the European Court of Human Rights (ECtHR) operating as a curious *inter partes* court of last resort offering protection of rights but possessing no supervisory function with regard to the compatibility of laws in general. As a consequence, while the Convention is structured in the form of a ‘constitutional’ Bill of Rights, with the inherent normative vision typical of a Constitutional document the Convention and its application cannot generally viewed in strongly ‘constitutional’ terms³¹.

This is in sharp contrast to the European Union, whose complex development and form is predominantly characterised as *constitutional* in some form or other. Constitutional discourse has won the ‘social constructionist race’³² to characterise our understanding of the Union, and the infamous derailment of the Constitutional Treaty has done nothing to change this. However, what it means to characterise the Union in constitutional terms is far from clear, as this term is used by commentators to mean all manner of things, both descriptive and prescriptive³³. It would seem that

Judicial Review in Strasbourg’ [2010] European Law Review; T Lock, ‘The ECJ and the ECtHR: the future relationship between the two European courts’ (2009) 8 The Law and Practice of International Courts and Tribunals 375.

27 This is a confirmation of the position in *Matthews v. United Kingdom* [GC], no. 24833/94, ECHR 1999-I.

28 *Bosphorus v. Ireland* [GC], no. 45036/98, ECHR 2005-VI.

29 *Connolly v. Various States*, no. 73274/01, 9 Dec. 2008.

30 Keller and Stone Sweet, following an extensive research project into the impact of the ECHR, confidently declared the Convention to be the ‘the most effective human rights regime in the world’: H Keller and AS Sweet, *A Europe of rights: The impact of the ECHR on national legal systems* (OUP, Oxford, 2008).

31 On this matter see, in particular, the discussion of the nature of the ECHR and the Court’s non-constitutional role in Wojciech Sadurski, ‘Partnering with Strasbourg: Constitutionalisation of the European Court of Human Rights, the Accession of Central and East European States to the Council of Europe, and the Idea of Pilot Judgments’ (2009) 9 Human Rights Law Review 57.

32 On the ‘constructionist’ nature of constitutional discourse and the way in which characterising legal developments as ‘constitutional’ influences their development, see M Avbelj, ‘Questioning EU Constitutionalisms’ (2008) 9 German Law Journal 1–26.

33 An excellent discussion of some of these uses of the idea of ‘constitution’ in the EU context can be

characterising the Union as ‘constitutional’ in nature, rather than an extended international trading bloc for instance, stems from the ‘autonomous’ status of EU law, famously proclaimed in *Costa v ENEL* by the Court of Justice, where EU law managed to pull itself up by its bootstraps, to declare that the Treaties constituted a ‘an independent source of law’.³⁴ In this way, the Treaties of the Union are ‘constitutional’ in nature not simply because they provide an ‘order’ to a complex institution, in the way in which a rowing club or political party would have a ‘constitution’, but rather because they are the apex of an *autonomous* legal system, which is *constituted*, i.e. created, by those very Treaties, rather than depending some other source for their validity. In this way, we can immediately see the contrast with the ECHR, as described above, which depends on the good will and peer pressure of its signatory states.

The connected EU law doctrine of *primacy*, also an invention of the Court of Justice in *Costa*, and the ability of individuals to enforce their rights in domestic courts through the three-pronged enforcement mechanisms developed over the first three decades or so of the Union³⁵, give a shape and form to this ‘constitutional’ vision of the the EU. The key upshot has been that the EU has insisted that matters of interpretation of EU law are a matter for the EU itself, and as such for the Court of Justice (CJEU), meaning that other judicial bodies, notably those of Member States³⁶, but also international bodies³⁷, cannot engage in such interpretive practices, at least from the perspective of EU law. At the same time, as an autonomous constitutional order, the EU is subject to international obligations only to the extent that the Court of Justice feels that these are in line with the fundamental principles of EU law.³⁸

Matters have not, of course, been as simple as this, reflecting law’s inescapably *reflexive* nature – the Hegelian master-slave dialectic between law and that which it seeks to regulate. An additional layer of constitutional complexity is added through interaction between the EU’s constitutional claims of autonomy and the competing constitutional claims of Member States to order the same legal space as the EU, with numerous national courts reasserting their right to police EU law.³⁹ One might have

found in Kaarlo Tuori, ‘The Many Constitutions of Europe’ in Kaarlo Tuori and Suvi Sankari (eds), *The Many Constitutions of Europe* (Ashgate, Farnham 2010).

34 Flaminio Costa v ENEL [1964] ECR 585 (6/64), On autonomy and the ECHR see also the relevant discussion in Paul Gragl’s chapter in this volume.

35 These doctrines, of direct effect, indirect effect and state liability, allowing legal persons to rely on rights stemming from EU law absent of correct implementation by Member States provide a concrete legal manifestation of the autonomous nature of EU law, giving effectiveness to its content without relying on implementation, at least in certain cases. The case CJEU case law in this regard is, famously, Van Gend en Loos (1963) Case 26/62 (direct effect), Marleasing (1990) C-106/89 (extension of the general duty of consistent interpretation of EU law), and Francovich (1990) C-6/90 (the principle of state liability for certain breaches of rights stemming from EU law).

36 Under CJEU jurisprudence only the Court of Justice can determine the correct interpretation of EU law, see for instance, Firma Foto-Frost 314/85[1987] ECR 4199.

37 For instance the Opinion 1/09 of the Court of 08/03/2011 regarding the legality of a proposed European patents court which would have had jurisdiction to interpret the content of EU law. This was held to violate EU law by the Court of Justice.

38 Kadi v Council & Commission C-402/05 [2008] ECR I-6351

39 This has most famously manifested itself in the *Solange* and *controlimiti* doctrines of the German and

expected this to lead to the collapse of the constitutional vision of EU law, however, the interaction of these constitutional claims and their resolution has itself been characterised as ‘constitutional’ in nature: that is, there is an autonomous, principled ordering of competing constitutional claims which can itself be meaningfully classed as *constitutional*. In the following section, there will be an examination of some of the values which are said to inform such an ordering: for now, we will focus on the *structural* elements of such claims. The idea that the resolution of competing constitutional claims is itself carried out along constitutional lines has been expressed rather prosaically as a ‘Constitutional order of States’,⁴⁰ but is most often referred to as ‘constitutional pluralism’⁴¹, where ‘pluralism’ seems to communicate an ordered dialogue between competing claims of constitutional status which goes beyond a mere ‘plurality’ of such constitutional claims: *a constitutional order of constitutions*.

The key aspect of any such discussion, however, must remain the purported autonomy of EU law and the insistence upon the supremacy or primacy of EU law, regardless of any ‘constitutional’ dialogue with competing visions of the EU’s place in a hierarchy or legal systems. What this has involved has been the ability of the CJEU to determine the impact of other ‘constitutional’ claims, international obligations and other principled legal arguments based on rights-like discourse on the content of EU law, at times making room to accommodate them, while at others rejecting or marginalising them. This has been seen in labour law in the EU in significant ways. For instance, in the case of *Jaeger*⁴², the Court of Justice incorporated elements of fundamental rights discourse in order that the Working Time Directive be interpreted expansively to provide protection for doctors on call to have such time included in a calculation of the time they worked. Conversely, in the recent line of case law regarding the rights of trade unions to take industrial action⁴³, the Court seemed equally willing to accept this form of argument, citing numerous international sources of collective and social rights⁴⁴, but ruled that the action was nonetheless illegal according to EU law by virtue of its disproportionate impact on the economic rights of others.

The Court of Justice has, therefore, been willing to incorporate external, or non-binding, seemingly imperative sources of law, however this incorporation occurs on the CJEU’s own terms. The examples cited here are instructive in particular because the values which the Court of Justice sought to incorporate into its judgments did not come from sources which were, at the time, formally incorporated into EU primary law. The pluralist constitutional framework proposed by so many

Italian Constitutional Courts. See ‘Solange II’ [1987] 3 CMLR 225 and the judgments 183/1973 and 179/1984 of the Italian Constitutional Court.

40 Alan Dashwood, ‘States in the European Union’, 23 ELR (1998) 201.

41 For good surveys of the ideas of constitutional pluralism and their application to EU law, see N Walker, ‘The idea of constitutional pluralism’ (2002) 65 Modern Law Review 317–359; MP Maduro, ‘Three Claims of Constitutional Pluralism’ in Matej Avbelj and Jan Komárek (eds), *Constitutional Pluralism in the European Union and Beyond* (Hart 2012); and Matej Avbelj and Jan Komárek, ‘Four Visions of Constitutional Pluralism’ (no date) 4 European Constitutional Law Review 524–527.

42 *Jaeger* C-151/02 [2003] ECR I-8389. The Court, in this case relied on the Community Charter of Social Rights of Workers, signed in 1989.

43 Cited above, at n 16, particularly in *Viking* and *Laval*.

44 In *Viking* and *Laval*, the Court placed emphasis on the content of the Convention and the Social Charter.

commentators must be tempered by the autonomy and supremacy of EU law, however fragile and contingent on the cooperation of Member States' courts this may be.

How will the accession to the ECHR change this? This is a complex question, but one which is made more straightforward by the preceding paragraphs. There is something paradoxical, at least in appearance, in the accession to the ECHR by the European Union. On the one hand, the Union is opening itself up to scrutiny, both directly in terms of a review of its own secondary legislation and administrative action, and indirectly, but one might say *existentially*, through a formalisation of the Member States' potential liability for Primary Law's being in violation of the Convention (the EU *as an entity* constituting a breach of a Convention right). On the other hand, while binding itself in this manner, it is seeking to maintain the crucial place of the autonomy and supremacy of EU law, upon which, one could argue, the whole edifice of European integration has rested. This paradox is, of course, revealed to be merely apparent when one appreciates the non-constitutional nature of the Convention as described above. Unlike the EU legal order, there is no suggestion, from the ECtHR or elsewhere, that the Convention founds a sovereign legal order, and as such offers no potential constitutional clash with the EU. In this way, it is not simply because the accession to the Convention stems from EU law itself that the autonomy of EU is not brought into question⁴⁵, as such a line of argument would also mean that the EU *itself* could not possibly be an autonomous legal order itself, stemming as it did, as a matter of historical fact, from the actions of the Member States and within their constitutional frameworks. Law is not amenable to this form of historicist analysis: it normatively reshapes the social, or in this case legal, reality upon which it depends for its existence, otherwise one is committed to a static deterministic vision of law as simply a superstructure upon what preceded it, but which does not possess the capacity to alter or shape social or legal reality. Instead it is because there has been no 'Costa moment' in the ECtHR's jurisprudence. The supremacy and autonomy of EU law is therefore unlikely to be brought into question because the legal order which the Union is acceding to does not seek to incorporate the EU its own constitutional ordering.

This does not mean that the accession is not an important constitutional moment for the EU. As mentioned above, all aspects of the development of the Union tend to be classified in some way or another as 'constitutional'. What makes the accession important is the external supervision of conformity with the Convention rights, rather than this being a matter simply for the Union's judicial hierarchy. This is where the paradox re-emerges: there will be a supervision of conformity with rights which stems from an external body, in a meaningful sense hierarchically superior, but which does not question the autonomy of EU law. What will be the impact of this development on labour law in the EU? It is of course hard to say to general terms, however, there are certainly tensions between the jurisprudence of the Court of Justice and that of the ECtHR in certain areas, in particular regarding equality⁴⁶ and collective rights of workers to take collective action and able to collectively bargaining

45 This is an argument proposed in Tobias Lock, 'Walking on a Tightrope: The Draft Accession Agreement and the Autonomy of the EU Legal Order' [2011] *Common Market Law Review* 1025–1054 'Since the autonomy of the EU's legal order stems from the Treaties, explicit provisions in the Treaties cannot be in contradiction to it.' (at 1037)

46 For an excellent survey of some of these differences and their importance see S. Besson, 'Gender Discrimination under EU and ECHR Law: Never Shall the Twain Meet?' (2008) 8 *Human Rights Law Review* 647–682. See also the chapter by Panos Kapotas in this volume on the specific issue of positive action.

effectively⁴⁷. The crucial impact will seem to be this: it will no longer be in the hands of the Court of Justice to decide the impact Convention rights on EU law. While the interpretation of EU law remains in the hands of the CJEU, and the autonomous and constitutional status of EU law remain in tact, the weight and shape given to rights will necessarily change within the EU legal order following accession.

Take, for instance, the right to take industrial action and collectively bargain recognised under Article 11 on Freedom of Association of the Convention. While the Court of Justice recognised the importance of these rights in *Viking* and *Laval*, they were effectively reduced to the level of a ‘defence’ – a ‘legitimate aim’ in the familiar vernacular of the CJEU – which could only be pursued in so far as it did not disproportionately prejudice the economic rights of others. Accession to the ECHR and the supervisory role of the ECtHR will change this dynamic entirely, aside from the complex difference in understandings of the requirements of the right to freedom of association of the two respective courts. The new supervisory role of the ECtHR of the Union will mean that both the meaning of the content of the right, and the relative weight of any EU law provision which the exercise of the right appears to violate will be in the hands of the ECtHR rather than the Court of Justice.⁴⁸ Similarly, in cases such as the Working Time Directive case mentioned above, which did not involve the invocation of a right as a legitimate aim but rather as an interpretative tool, it will be a matter for the ECtHR, rather than the CJEU to decide what the requirements of that right are. In the medium- to long-term this may well have a profound impact on elements of the labour law regime in the European Union. This potential impact is limited by several factors, however, first and foremost the ability to ground any legal argument on a Convention right.⁴⁹

4. Value-based Constitutionalism of the EU and Accession

Another version of the constitutional narrative of the European Union has developed, as mentioned above, along more *normative* lines, seeing a constitution as embodying something beyond mere form or function, and reflecting deep-seated values or goals. Given its normative basis, this discourse is perhaps better classified as ‘constitutionalism’. There have been countless versions of this type of constitutionalist vision of the EU, however these can be separated into two distinct, although overlapping types.

The first is an attempt to characterise the telos, goal, aim or vision of EU law, or at least a part of it, and explain and justify its development through this telos. In this way, for instance, we can understand

47 K.D. Ewing and J. Hendy, ‘The Dramatic Implications of Demir and Baykara’ (2010) 39 Industrial Law Journal 2–51 and see also Amy Ludlow’s Chapter in this volume on the same tensions.

48 A similar observation is made in P Syrpis, ‘The Treaty of Lisbon: Much Ado... But About What?’ (2008) 37 Industrial Law Journal 219–235

49 The right to ‘health and safety’ is of course not included in the Convention, however a plausible legal argument could be mounted on the basis, for instance of Article 8 on the right to a private and family life requiring an adequate work/life balance and therefore limited working hours. How far such arguments can be taken will now be a question for the ECtHR, to the extent that they fall within the scope of Convention rights.

the economic constitutionalism⁵⁰ of the Union, which predominated such discussions for a long period, reflecting the central place of the Four Freedoms and competition law in the Union's Treaties. These discussions were subsequently displaced with a plethora of new 'constitutionalisms'⁵¹ which sought to explain the expanding and evolving nature of EU law and integration, with new concerns for the environment, social justice, employment, security and so on. The telos-based constitutionalism thus becomes either fragmented, or hopelessly vague, like the long mission statement contained in Article 3 of the TEU. The power of such telos-based constitutionalism, from a legal perspective, is that it allows for a principled teleological interpretation of law. As the aims of the Union have become more complex, such a telos has become fragmented or obscured.

The second broad type of 'constitutionalism' which has been used to characterise EU law is connected to the plurality of constitutional claims and the clashes between EU law and other legal systems discussed above. As was mentioned the ordering of these clashes have themselves been viewed through a constitutional lens in the form of constitutional pluralism. This 'constitutional' vision of an ordering of competing constitutional claims presupposes a system of coherent principles, which therefore themselves constitute a form of telos-like 'constitutionalism'; they represent the values which can guide courts in resolving seemingly insoluble clashes between, primarily, national and EU constitutional law, with neither willing to give ground. Several accounts of such visions have been put forward, which tend to contain a complex mix of descriptive and prescriptive elements. Particularly influential versions include Weiler's constitutional tolerance⁵², Kumm's Dworkin-like interpretivist solution⁵³, and Maduro's speculations regarding the need for *contrapunctual* principles of law to resolve such constitutional conflicts.⁵⁴ There is no need to go into the complexities of these arguments to understand their significance: in different ways, they propose ordered and principled solutions to the complexities of competing constitutional claims, seeking to balance coherence, consistency and other moral, political and legal values in different ways. In other words they offer a telos-based constitutionalism to order a plurality of constitutions and their competing claims.

Now, as argued above, despite appearances due to its Bill of Rights-like structure, and the new supervisory role of the ECtHR following the accession, the Convention will not add to this complex multiplex of constitutional *claims*. Unlike the EU, the Convention is not 'constitutional' in this sense. However, the Convention does possess, in a very strong sense, this second normative form of *constitutionalism*, being based of course on the inviolable rights of the individual and human dignity.

50 For the best survey of the 'prescriptive' version of the economic constitution of the EU, see Manfred E. Streit and Werner Mussler, 'The Economic Constitution of the European Community: From 'Rome' to 'Maastricht'' (1994) 5 *European Law Journal* 319–353`

51 An good survey can be found in Tuori, 'The Many Constitutions of Europe' (n 32)`

52 Joseph Weiler, 'European Neo-constitutionalism: in Search of Foundations for the European Constitutional Order' 44 *Political Studies* (1996) 517.

53 Mattias Kumm, 'The Jurisprudence of Constitutional Conflict: Constitutional Supremacy in Europe before and after the Constitutional Treaty,' 11 *European Law Journal* (2005) 262,

54 MP Maduro, 'Contrapunctual law: Europe's constitutional pluralism in action' in N Walker (ed) *Sovereignty in Transition* (Hart, Oxford, 2003)

In this way, the accession to the Convention by the Union is best seen as adding to the overriding *constitutionalism*, the fundamental guiding principles, of the Union rather than its constitutional, or ordering, role. The supervision of the ECHR and the binding nature of the Convention on the Union *may* therefore bring a more coherent picture of the meta-constitutional principles which constitutional pluralists discuss but which are rarely as evident as they suggest at present. In this way, they can provide the contrapunctual principles of Maduro's vision of constitutional pluralism, or the appropriate moral perspective to perform the morally best-fit interpretation advocated by Kumm.

As is often the case when constitutional pluralism is raised, this discussion has quickly become extremely abstract and lacking in legal precision. A focus on how these reflections might affect European labour law might provide a method of correcting this. As the EU has expanded in terms of both the depth of the scope of integration, it has been faced with a series of connected challenges: market integration has caused the separation between Member State and Union competences to break down, requiring a balance to be drawn. At the same time, the expansion of Union competences, while incorporating more values into the corpus of EU law, has meant that no one clear telos can be attributed to the Union, making any such balance difficult to strike on a consistent, principled basis. This can be seen in terms of labour law. In the case of *Albany*⁵⁵, regarding the question of the violation of EU competition laws by the seemingly cartel-like activities of trade unions, the Court was essentially required decide between the 'economic constitutionalism' of the Union and the reservation of such 'social' matters to Member States. In *Albany*, although somewhat confused in its reasoning, the Court effectively opted for the latter option. In stark contrast, in *Laval*, the Court refused to follow this form of reasoning and sought to resolve a similar tension between collective bargaining practice and free movement through a *balancing* of substantive rights. What is evident from these two opposing approaches is that the EU legal order, however *constitutional* in nature, and however in need of ordering principles to guide conflicts between competing constitutional claims, does not actually possess a clear set of guiding constitutional values. The compromise which was sought in the Treaty of Rome, whereby greater economic integration and wealth was promised in exchange for a separate economic *Ordnungspolitik* outside of the Member States' competence, while Member States remained in charge of 'social' policy, broke down several decades ago. No single clear vision – no constitutionalist values – have sought to order this complexity. The accession to the Convention, given the supervisory role of the Strasbourg Court, might contribute to providing such values.

Alan Supiot has recently argued⁵⁶ that the Convention ought to be given this role of guardian of the EU to ensure that legal matters are decided not by macroeconomic measurements but by metrics which have 'human' dimensions. When placed within this discourse of (missing) constitutional values and telos-driven constitutionalism, we can appreciate what Supiot means. Cases like *Albany* and *Laval*, regardless of their substantive outcomes, were decided according to two entirely different methods of resolving such 'hard cases'. Discussions of constitutional pluralism ring somewhat hollow when cases which require such 'pluralistic' dialogue are decided according to seemingly random principles, which are hardly discernible from the text of the judgment at times. The accession to the ECHR of the Union will, it is suggested, provide for a *unifying* discourse and interpretative method

55 C-67/96 *Albany* [1999] ECR I-5751

56 Alain Supiot, *L'esprit de Philadelphie: La justice sociale face au marché total* (Seuil 2010), in particular Chapter 6 where Supiot discusses 'le sens de la mesure'.

in complex constitutional cases. When combined with the supervisory role described above, one can envisage a more rights-driven approach to resolving labour law cases. As labour law cases tend to be of this hard ‘constitutional’ type, due to the fraught distinction between levels of competence discussed above, this will impact greatly on European labour law.

5. The Industrial Constitution and the inherently limited impact of the accession on labour law in the EU

The previous two sections have demonstrated the accession’s potentially profound impact on the way in which certain questions of labour law are *approached*, with the potential for qualitative changes in the content of EU labour law, both in terms of positive and negative integration. In general however, labour law has floundered somewhat in recent years, struggling to find its normative and conceptual moorings in a dominant political discourse which promotes economic efficiency and ‘flexibility’ on the one hand, and individual human rights on the other, both seemingly undermining labour law’s traditional concern for social solidarity and distributive visions of equality. One response to this has been to reconsider the very nature and purpose of labour law at all, with a renewed focus on Sinzheimer’s ideas of a *labour constitution*⁵⁷. Dukes⁵⁸ and Rödl⁵⁹ in particular have sought to explain the inherently ‘constitutional function’ of labour law. This requires some explanation. Sinzheimer’s idea of the labour constitution was based on a development Renner’s insight⁶⁰ that the legal institutions of the contract of employment and private property had developed into *loci* of social power and domination which existed by virtue of the fact that within an employment relationship one is subject to the direction of the employer due to the fact that the object of the contractual transaction is the worker himself or herself. In addition, the civil (i.e. private) law vision of contracting between equal parties is in reality subject to differences in market position which also constitute relative positions of social power. Sinzheimer developed the idea of the ‘labour constitution’⁶¹ from the insight that these private *loci* of power should be subject to the same constraints and principles as public power was in the political constitution. The labour constitution was thus made up of those legal norms which sought to counter balance, control and shape power in the private sphere, encompassing elements such as the role of trade unions, collective bargaining, the right to strike, and other rights of

57 H Sinzheimer, *Grundzuege des Arbeitsrechts*, 2nd edition (Gustav Fischer, 1927), and ‘Die Demokratisierung des Arbeitsverhältnisses’ in *Arbeitsrecht und Rechtssoziologie* (Europäische Verlagsanstalt, 1976)

58 R Dukes, ‘Constitutionalizing Employment Relations: Sinzheimer, Kahn-Freund and the Role of Labour Law’ (2008) 35 *Journal of Law and Society* 341–63; R. Dukes, ‘The Constitutional Function of Labour Law in the European Union’ in Neil Walker and others (eds), *Europe’s Constitutional Mosaic* (Oxford University Press 2011)

59 Florian Rödl, ‘The labour constitution of the European Union’ in Armin von Bogdandy and Jürgen Bast (eds), *Principles of European Constitutional Law* (2nd edn, Hart 2009); Florian Rödl, ‘Constitutional integration of labour constitutions’ in Erik Oddvar Eriksen and others (eds), *Law, democracy and solidarity in a post-national union: the unsettled political order of Europe* (Routledge 2006).

60 Renner, *The Social Function...* (n 21).

61 Sinzheimer gave several names to overlapping ideas to do with ‘constitutionalising’ certain aspects of private law in the employment context: *Wirtschaftsverfassung* (economic constitution), *Betriebsverfassung* (the constitution of the firm), *Arbeitsverfassung* (labour constitution). Here the term ‘labour constitution’ is used by virtue of this term being adopted in more recent literature, in particular that at n 57 and n 58.

the worker which limited or redistributed the managerial right to direct workers under the contract of employment. To a certain extent, there is nothing remarkable about these insights, as valuable as they are, when put in these terms. They represented simply the *horizontal* effect of constitutional principles and a recognition of the diffuse nature of power within a non-totalitarian legal system.⁶²

However, the idea of the labour constitution can, and indeed should, be taken further. It is ‘constitutional’ not merely because labour law applies constitutional values to the private, economic sphere, but rather because such laws *constitute*, i.e. legally found and order, that same sphere. The laws which provide for employment through a combination of the institutions of property and contract, along with those laws which provide for worker representation and industrial action, in the negotiation of terms of employment or in decisions regarding the strategic direction of a business, do not simply need to be subject to constitutional values. Instead they must be seen as ‘constitutional’ in themselves, reflecting a structural coupling⁶³ of the law and the economic sphere which enables working relationships to exist. In this way, the term ‘labour constitution’ does not quite render the idea, as this focuses simply on the corrective nature of labour law provisions. The ‘constitutional’ insight is much deeper: just as the EU is correctly characterised as ‘constitutional’ because of its legally autonomous nature, so the autonomous social sphere of the economy is *constituted* by the legal rules which create actors and processes which allow action. A term which captures this constitutional *role* of labour law within this broader economic constitution is the ‘industrial constitution’.

Seeing labour law in these terms is crucial for a number of reasons. Firstly, it overcomes the latent *materialism* in much labour law commentary, which assumes that law merely modifies or interacts with an existing normative social reality which exists outside of the legal system.⁶⁴ It recognises, just as the near contemporaries of Sinzheimer, the ordoliberals⁶⁵, did, that the law does not simply regulate economic processes, but instead creates them through legal institutions which must be maintained,

62 This broad idea is most clearly explained, and indeed defended, in M Kumm, ‘Who's Afraid of the Total Constitution - Constitutional Rights as Principles and the Constitutionalization of Private Law’ 7 German LJ (2006) 341.

63 This term is associated with systems theory. For the relationship between law and social reality, see in particular Niklas Luhmann, *Law As a Social System* (Oxford University Press 2004); On Structural Coupling, see Teuber's introduction to G Teubner (ed) *Juridification of Social Spheres: A Comparative Analysis in the Areas of Labor, Corporate, Anti-Trust, and Social Welfare Law* (Walter de Gruyter 1987)

64 This is a tendency found in early labour law, such as that of Otto Kahn-Freund (see, eg, Chapter 1 of *Labour and the Law* (Stevens, 1972) on law and power, which stresses law's place as a ‘secondary force’) which reflected the reflections of ‘social lawyers’ and early legal pluralists such as Georges Gurvitch (see for instance ‘*Théorie Pluraliste Des Sources Du Droit Positif*’ in *Annuaire de l'Institut international de philosophie du droit et de sociologie juridique* (1934-35)) and Paul Ehrlich (see his ideas on ‘living law’ in *Fundamental Principles of the Sociology of Law*. (Transaction, New Brunswick, [1913] 2003)) who suggested that the ‘law’ of work was not *legal* in source, as it did not emanate from the State, but was produced by autonomous social forces. Indeed, in French, labour law is still often referred to as *droit social*. A similar tendency is found in much neo-liberal economic thought. The account of the *constitutional* nature of labour law defended here seeks to refute this claim.

65 For an exceptional survey of this ‘constitutional’ aspect of ordoliberalism see DJ Gerber, ‘Constitutionalizing the Economy: German Neo-liberalism, Competition Law and the ‘New’ Europe’ (1994) 42 *American Journal of Comparative Law* 25–84.

but can equally be modified if so required.⁶⁶ The ordoliberal, whose ‘political’ ideas are often seen as the source of the ‘economic constitutionalism’ mentioned in Section 4, above, recognised above all however that private law institutions performed a ‘constitutional’ *role* in the private sphere, an insight which often lost when discussing their work today; the economy did not simply run itself but was dependent on legal institutions which created that economy and allowed for its functioning. While the law is dependent on its acceptance by social actors, those social actors and their action is imaginatively recast in a fundamental way by the law. This once again shows the *non-historicist* nature of law, mentioned in Section 3 in relation to the autonomy of EU law, and demonstrates why labour law is part of an *constitutional* ordering of private actors, that is, actors who are created by law and whose interaction with other actors is equally constituted by the law.

What has this got to do with the accession of the EU to the Convention? Just as the potential significance of the accession could be seen through the first two constitutional models of EU law in this chapter, by highlighting this third model of constitution, we can understand the place of labour law within the EU, and also the inherent limitations to the accession in terms of its impact on labour law in the Union. Despite the significant impact discussed above, the idea of labour law as primarily formed of an industrial constitution, that is, a deliberate legal ordering of actors in an autonomous economic sphere, should bring home immediately the limitations of accession. The Convention, and its application through the Strasbourg Court, reflects a certain vision of ‘constitutional’ values and their protection, one which could be described as *pre-democratic* or *liberal*, that is, which is concerned with policing the exercise of those who possess power – whether social or political, private or public – to ensure that they do not abuse it by violating certain protected rights of others. This supervisory method does not *question* the power structures themselves, but simply seeks to avoid abuse. However, what framing labour as part of the industrial constitution allows us to appreciate is that the fundamental elements of labour law are in themselves related to the *distribution* of private power, of the ability of actors, individually or collectively, to negotiate the terms of their employment or enjoy a role in decisions regarding their work or the direction of the business which employs them. Many such institutions and actors exist in some diluted form in EU law, such the numerous Directives mandating right to information and consultation of workers in certain circumstances, mentioned above, and a legislative, or regulatory, role for the Social Partners, both general and sectoral. At the same time, much of this ‘constitutional’ function is still largely at national level, in particular given that issues of collective bargaining and industrial action are excluded from Union competence, as discussed above, and that the provisions on Social Policy contain a commitment to ‘take account of the diverse forms of national practices, in particular in the field of contractual relations’.⁶⁷

However, as *Albany* and *Laval* demonstrate, these issues are *inherently* matters of EU law. As a consequence, while, paradoxically for a legally constituted market, there exists no harmonised institutions of labour law in the Union, there are elements of an EU industrial constitution, and those elements which remain at state level are subject to EU law supervision. Given that the major tenets of labour law take this *constitutional* form, and the supervisory role which the accession gives the

66 The unavoidably legal nature of social reality and of market foundations in particular is covered exceptionally lucidly in relation to changing American Supreme Court jurisprudence in Cass R Sunstein, *The Partial Constitution* (Harvard University Press 1994) in particular Ch 2

67 Article 151(2) TFEU

Convention and the Strasbourg Court, there is little chance, on its own, that the accession will have any great impact on the major institutions of labour law in the EU. The upshot is this: as the major tenets of an industrial constitution are not part of the EU legal order – those legally constituted actors within the internal market – a supervisory model of rights protection cannot ameliorate or shape EU labour law, as its fundamental components are *missing*. This explains the difficulty which the CJEU faces in *Albany* and *Laval*: it is seeking to conceptualise with an epistemic framework of EU law, actors which have no foundational role. Any space which is found for them must be on the basis of a rights-type argument, which demonstrates both the importance but also the *limits* of the accession for European labour law.

This conclusion is unsurprising in many respects: it reflects the inherent limitations of rights-based juridical reasoning. Law, in its interaction with the social sphere, is *constitutive* in nature, and such a constitution must be the consequence of the deliberate legislative acts, a reordering of the social sphere through law. The Accession Agreement's provisions confirming the liability of Member States for a violation of Convention rights by EU Primary Law offers an indirect transformative role in this regard: should the EU be found to be in violation of the right to freedom of association for instance, as Amy Ludlow's Chapter in this volume suggests it might, pressure could mount for a redrafting of Union competences an inclusion of collective rights at Union level. More realistically however, Member States are likely to come under pressure to give a more *regulatory* role to the Social Partners within the state, thus conforming with the jurisprudence of both Courts, and mirroring the position of the Social Partners in the EU – reducing yet further trade union's place in the European *industrial* constitution. This underlines the fact that a fundamental change to the industrial constitution must take place through (primary) *legislative* action, which the accession to the ECHR may hasten but cannot bring about.

6. Conclusion. The place of citizenship and the limits of accession

Labour law in the EU will be affected by accession, perhaps in fundamental ways, with the constitutional supervision and constitutional values provided for in the Convention giving a structured and principled place for rights in the consideration of labour law cases. However, as a merely supervisory or pre-democratic model of rights-protection, the procedures and values provided for by accession can do little to reshape the industrial constitution of the European Union, that is the constitutional ordering of the social or economic sphere. In this regard, it is unwise to put faith in accession to make profound changes in EU labour law. These must be the consequence of legislative action, that is, a more deliberate attempt to order the social sphere in the Union by providing for the right to collectively bargaining and to take industrial action in EU law. While this would involve the application of many of the values contained in the Convention, a better model for any such change in the future is more likely to come from an extension of an existing concept of EU law, that of Union *Citizenship*⁶⁸. While Citizenship has been used by the CJEU primarily to move *away* from purely economic interpretations of EU rights⁶⁹, a recasting of labour law as *constituting* autonomous private power, shows the need to imbue, rather than contrast, the market with the values of participation,

68 Article 20 TFEU

69 E.g. Case C-184/99 Grzelczyk [2001] ECR I-6193.

dignity and democracy inherent in the idea of citizenship. A *constitutional* appreciation of citizenship means that it must be incorporated *into* the economic ordering of the EU, not merely be seen to exist alongside it. Convention rights can help draw our attention to any failure in this regard but are intrinsically limited in their ability to overcome these failures through judicial supervision alone, however 'constitutionally' significant. Accession will bring about an increased focus to the requirement to incorporate constitutional values into the European industrial constitution and provide supervisory structures to achieve this. However, there is a danger that this will reinforce the notion that the market is simply a matter of *physis* and *nomos*, an order tempered by rules, whereas in fact such structures are essentially a question of *thesis*, a deliberate ordering of actors which must incorporate constitutional values of citizenship into its very structures, something which cannot easily be done through judicial supervision alone.